



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Peter R. Orszag, Director

April 23, 2008

Honorable Spencer Bachus
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Congressman:

As you requested, the Congressional Budget Office has prepared the enclosed estimate of the direct spending costs and revenue effects of enacting the Homeownership Protection and Housing Market Stabilization Act of 2008, provided to CBO by your staff on April 21, 2008. CBO has not estimated the discretionary costs that would result from implementing this legislation.

The proposal contains several provisions that would affect the Federal Housing Administration, veterans' housing benefits, government-sponsored enterprises, and other housing-related programs. CBO estimates that enacting this legislation would increase revenues by \$1.23 billion and direct spending by \$1.21 billion over the 2008-2018 period. The additional revenues would exceed the new direct spending by an estimated \$25 million over that period, thus decreasing the deficit (or increasing the surplus) by that amount over the next 10 years.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Daniel Hoople.

Sincerely,

for Robert A. Gurnham

Peter R. Orszag

Enclosure

cc: Honorable Barney Frank
Chairman

ESTIMATED BUDGETARY IMPACT OF THE HOMEOWNERSHIP PROTECTION AND HOUSING MARKET STABILIZATION ACT OF 2008
 (Based on F:\JMW\FS110\ALT_003.XML received April 21, 2008)

	By Fiscal Year, in Millions of Dollars												2008-2013	2008-2018
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018			
CHANGES IN REVENUES														
FHFA Fees	0	75	100	110	110	110	110	120	120	120	120	505	1,095	
NMLSR Assessments	<u>0</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>72</u>	<u>137</u>	
Total Estimated Revenues	0	90	115	124	124	124	123	133	133	133	133	577	1,232	
CHANGES IN DIRECT SPENDING														
Spending of FHFA Fees														
Budget Authority	0	75	100	110	110	110	110	120	120	120	120	505	1,095	
Estimated Outlays	0	75	100	110	110	110	110	120	120	120	120	505	1,095	
Spending of NMLSR Assessments														
Estimated Budget Authority	0	15	15	14	14	14	13	13	13	13	13	72	137	
Estimated Outlays	0	15	15	12	12	11	11	11	11	11	11	65	120	
HECM Loan Insurance Program														
Estimated Budget Authority	-7	0	0	0	0	0	0	0	0	0	0	-7	-7	
Estimated Outlays	-7	0	0	0	0	0	0	0	0	0	0	-7	-7	
Temporary Increase in Loan Guarantee														
Amount for Veteran Housing Loans														
Estimated Budget Authority	-1	*	0	0	0	0	0	0	0	0	0	-1	-1	
Estimated Outlays	-1	*	0	0	0	0	0	0	0	0	0	-1	-1	
Total Changes														
Estimated Budget Authority	-8	90	115	124	124	124	123	133	133	133	133	569	1,224	
Estimated Outlays	-8	90	115	122	122	121	121	131	131	131	131	562	1,207	
NET CHANGE IN THE BUDGET DEFICIT OR SURPLUS FROM CHANGES IN REVENUES AND DIRECT SPENDING														
Impact on Deficit/Surplus ^a	8	0	0	2	2	3	2	2	2	2	2	15	25	

Notes: * = less than \$500,000; FHFA = Federal Housing Finance Agency; NMLSR = Nationwide Mortgage Licensing System and Registry;
 HECM = Home Equity Conversion Mortgage.
 Components may not sum to totals because of rounding.

a. Positive number indicate decreases in deficits (or increases in surpluses); negative numbers indicate increases in deficits (or decreases in surpluses).

Source: Congressional Budget Office.